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24 OCT 1975

MEMORANDUM FOR: Deputy to the DCI for
the Intelligence Community

SUBJECT : Issue Options and Actions

This memorandum outlines reactions to the various papers handed out at the meeting on 20 October.

Role and Functions of the Senior US Foreign Intelligence Officer

There were two papers on this general subject, and this comment limits itself to the one titled as above. The formula I. A. 1. b(1). (a). 1, b. 1. / .a. / fits my own preferences, with some qualifications, as follows:

I. The Special Assistant to the President must have special status, that goes beyond the mere Special Assistant role, whatever the title. This is met by later options.

A. Full membership on the NSC and chairman of the NSCIC provide status and support for his authority.

1. The role of Executive Agent over management and direction of collection programs, though not as operating head, gives the necessary handle on vital programs that might otherwise be subordinated to departmental requirements.

b. Review and approval of budgets does not include the task of developing such budgets, as envisioned in subparagraph a. The function of approval establishes the necessary control, without involving the need for a vast staff beyond an IC-type organization.

(1) Development and issuance of guidance should be elaborated to make it sure that it is a guiding, coordinating and approving role. It is felt that subparagraph (2) is subsumed in 1, above, which would make the new post Executive Agent for national systems.

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(a) The new senior officer can have the NIOs, with a proper staff drawn from the community on a rotational assignment basis. That structure could serve the coordination and approval function.

1. There is no real conflict between the intelligence role and that of covert action under the 40 Committee. The relationship between Intelligence and Covert Action is unavoidable, and should not be artificially separated.

b. Maintenance of his own IG Staff sounds better in theory than it would prove in practice. It is not budgetary information or management information -- both of which are subject to reporting -- but "abuse" type information probably of interest here. That is best discovered by internal groups familiar with where to look.

1/ The new post should be the chief spokesman, short of the President. Otherwise, there is no central voice, which is needed.

a/ Chairing both USIB and IRAC (neither of which should be terminated at this time) reinforces the position and the operating influence of the new post.

Joint Committee on Intelligence

A Joint Intelligence Committee has a number of advantages. In seeking to take advantage of them, it is noted that representation from the various committees with a proprietary interest in intelligence may not of itself meet the requirements of those committees for some special demonstration of interest. Consideration should be given to some special language that addresses this problem. If not, and if the controversies that arise during the period of adjustment are not readily resolved, we might find only that there has been added one extra committee without reducing other Congressional commitments.

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GAO Audit

The paper does not really take into account how I understand GAO operates.

Were GAO to interest itself only in how the CIA Audit System works there would be no real problem, as this does not really risk disclosures of the sort that cause problems. This made possible the Touche-Ross review of Agency audit procedures.

Further, GAO does not usually conduct a full audit. Rather, it tests and selects. It undoubtedly will be attracted to the big-money areas -- which conforms with its track record -- and to areas of special interest from a control point of view, such as handling of operational money. These are the sensitive areas, and will raise the basic issues, arising as they do from GAO's way of going at things.

The reference to "Comprehensive Fiscal and Program Audit", doesn't note what GAO means by "program audit," which is an approach whereby GAO looks into the substantive content of programs and their management. This poses significant questions for addressing the problem of GAO's audit of the Agency.

The paper had best be broadened in order to look closely at just what GAO's audit of CIA means.

National and Other Intelligence Estimates

Options Number 2, with a fleshed-out NIO Staff, working for the new Senior Intelligence Officer, makes a lot of sense, assuming that there is to be a new post for such a senior officer.

I have no useful new approaches to how better we can tell the intelligence story.

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